

Lease Agreement
For Development of a Corporate Hangar Area

RD AIR SERVICES, L.L.C.



GAINESVILLE - ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY

TERM: FROM FEBRUARY 26, 2008 THROUGH FEBRUARY 25, 2038

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**LEASE AGREEMENT
FOR DEVELOPMENT OF A CORPORATE HANGAR AREA AT THE
GAINESVILLE REGIONAL AIRPORT**

THIS LEASE AGREEMENT made and entered into this 26th day of February, 2008 by and between the GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY, a public body corporate existing under the laws of the State of Florida, with its office and principal place of business at Gainesville Regional Airport, in Alachua County, Florida, whose address is 3880 NE 39th Avenue, Suite A, Gainesville, Florida 32609 (hereinafter referred to as "Authority") and RD Air Services, L.L.C., with its office and principal place of business being 4341 NE 48th Avenue, Gainesville, FL, 32609 (hereinafter referred to as "Company"), a corporation organized and existing under the laws of the State of Florida, individually and collectively referred to as the "Party" or "Parties".

WITNESSETH

WHEREAS, Authority controls, operates and maintains an airport in Alachua County, Florida, known as Gainesville Regional Airport (hereinafter referred to as "Airport"); and

WHEREAS, Company proposes to develop and lease an area of real property designated herein for the purpose of constructing hangar and office facilities and common use areas including taxiway, paved apron and automobile parking as described in Article 2 and depicted in Exhibit "2.A" and "2.B" for use by Company under the terms and conditions described herein and;

WHEREAS, Company has shown a willingness and ability to properly improve, maintain and manage said property in accordance with standards established by the Authority;

NOW, THEREFORE, in consideration of the premises, mutual covenants and promises hereinafter contained, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

For the purpose of this Agreement, the following definitions shall apply:

Authority's Representative - the Chief Executive Officer (CEO) or such other person that Authority or CEO designates by written notice delivered to Company.

Certificate of Occupancy - that document issued by the City of Gainesville Building Department certifying that the Leased Premises comply with provisions of zoning and/or building ordinances, have been constructed substantially in accordance with approved plans and specifications, and may be occupied and used for the intended purpose.

Chief Executive Officer - that person contracted by the Authority to serve as the highest ranking staff member responsible for carrying out the policies of the Authority on a day-to-day basis.

Company's Improvements - the improvements Company will construct upon the Leased Premises in accordance with Article 2 and as depicted in Exhibits "2.A", "2.B" and "3" herein.

Date of Occupancy - Date upon which City of Gainesville issues Certificate of Occupancy for the leased premises.

Company's Representative - Company's agent designated to represent Company to Authority, which for contract purposes at this time is Scott Branham, General Manager. If there are changes to the Company's representative written notice must be delivered to the Authority.

Fixed Personal Property - personal property installed and/or attached to Company's Improvements.

Fuel on Site – Shall mean and refer to aviation fuel provided to Sited Aircraft.

Full Operational Control – Shall be defined as the responsibility and authority to schedule, perform, and/or cause to be performed all maintenance; provide or cause to be provided all fueling; assigning of all flight crews; making arrangements for hangar storage; securing insurance; and scheduling of all flights *inter alia*.

Leased Premises - The real property, improvements and Company's Improvements shall hereinafter collectively be referred to as "Leased Premises."

Managed Aircraft – Shall mean and refer to aircraft at the leased premises which are permanently hangared in the RD Air Services facility; for which RD Air Services LLC has an executed and effective Aircraft Management Agreement authorizing Full Operational Control. Managed Aircraft shall be included on the Company's FAR Part 135 Air Carrier Certificate for the purpose of on-demand air charter, and be actively utilized in RD Air Services' on-demand charter operations. The Authority reserves to right to request periodic reporting of Managed Aircraft usage.

Permits - Any work permits required by the City of Gainesville and/or Alachua County for improvements or alterations to the Leased Premises.

Personal Property - the furnishings supplied by Company including furniture, equipment and supplies, not affixed to the Leased Premises.

Sited Aircraft - Shall mean and refer to aircraft at the leased premises which are either owned, leased or managed by Company. As to each Sited Aircraft, Company shall provide to the Authority evidence that: the aircraft is either owned, leased, or managed by Company; that its presence is in compliance with the terms and conditions of this Lease; the registration number of said aircraft, and a certificate of insurance for the aircraft in compliance with the insurance requirements specified herein. Said certification shall be in writing and delivered to the Authority not less than seven days prior to arrival of the Sited Aircraft. Authority shall have the right, upon request, to have its attorney examine "in camera" the fully executed leases or management agreements and said leases and agreements shall remain on file with the Authority. Company will notify Authority in writing within ten (10) days of the termination of any leases or management agreements pertaining to Sited Aircraft.

State - the State of Florida.

ARTICLE 2

LAND, IMPROVEMENTS AND LEASED PREMISES

2.1 LEASED PREMISES:

Company hereby agrees to lease from Authority real property consisting of approximately three acres together with those permanent improvements described in Section 2.2, 2.3 and Exhibit "3" which are to be constructed by the Company thereon, and hereinafter referred to as the Leased Premises. Upon the execution of this Agreement, a survey of the Leased Premises will be conducted to more accurately define and create a legal description of the Leased Premises, which, after review and approval by Company, will be attached and incorporated herein as Exhibit "2-B" without formal amendment to this Agreement. The location of the Leased Premises is generally set forth on Exhibit "2-A," which is attached hereto and made a part hereof.

2.2 COMPANY'S IMPROVEMENTS:

Time is of the essence with regard to this contract. As part of the consideration hereof, Company covenants and agrees that it will construct the following improvements with all reasonable speed and use commercially reasonable efforts to complete the improvements by 25 February 2012 (Phase I to be completed by 25 February 2009; Phase II to be completed by 25 February 2012). Company's Improvements will be further detailed in the project construction documents, which, after review and approval by the Parties, will be subsequently attached hereto as Exhibit "3" and incorporated herein by reference. In general terms, Company's Improvements shall include, but not be limited to:

- A. Approximately 50,000 square feet of paved aircraft parking apron, designed to accommodate the maneuvering, parking and tie down of light to medium sized business jets and other general aviation aircraft, which is appropriately drained, marked, and lighted, with access to

proposed hangar facilities with adequate taxiway connection to the airfield, and which is in accordance with the Authority's "Minimum Standards and Requirements for Aeronautical Activities" which is incorporated herein by reference, and attached hereto as Exhibit "8".

- B. Two (2) 12,000 square foot aircraft hangars and an additional 3,600 square foot area of covered aircraft storage
- C. Approximately 6,000 square feet of finished office and shop space.
- D. Approximately 10,760 square feet of paved automobile parking area, containing not less than Thirty-Seven (37) paved automobile parking spaces.

Company shall be responsible for all construction permitting, site-work, utility service lines, storm water provisions, drainage, landscaping, lighting and other improvements required for issuance of a certificate of occupancy. Company shall install and maintain adequate aircraft apron lighting, security fencing and security lighting to the satisfaction of the Authority.

2.3 CONSTRUCTION OF IMPROVEMENTS

- A. Company recognizes that construction on the Airport is subject to applicable zoning and building codes of the City of Gainesville in addition to other city, county, state and federal requirements regarding construction and utilization of property on the Leased Premises. Initial site plan documents and a project cost estimate shall be submitted to the Authority's Chief Executive Officer for his review and approval. The site plan and cost estimate shall provide for the ultimate development of the Leased Premises including all hangar and office buildings and support facilities, which includes vehicle parking with street connections and a hangar apron with a connector to the main general aviation apron (FBO area). The cost estimate shall include the design, engineering, construction, equipping, furnishing, and landscaping of the Leased Premises. The CEO shall use such experts as he requires to ensure that the project budget is accurate and sufficient to construct the proposed facilities.

Upon approval by the CEO, the Company shall be responsible for complying with applicable City of Gainesville site plan requirements. After review of the City comments and requirements for site plan approval and final comments by the CEO, the modified site plan will be submitted to the Authority for approval. If Company cannot accept the modified site plan, Company may terminate the lease, but this shall be its sole remedy.

- B. At least ten (10) working days prior to any construction, alteration, or changes upon the Leased Premises, Company shall submit to the CEO the final plans and specifications, site plan, detailed project cost estimate, safety and phasing plan, all required building permits issued by the City, county, state or federal government. Company shall not commence any construction until it has received the CEO's written approval, which shall not be unreasonably withheld. The safety and phasing plan is subject to the approval of the CEO and the Federal Aviation Administration and shall adequately provide for the safety and security of airport operations during construction.

- C. Company's initial phase, (Phase 1), of the construction project on the Leased Premises shall consist of the two (2) 12,000 square foot hangars and support facilities, which includes office space and vehicle parking with street connections and a hangar apron with a connector to the main general aviation apron (FBO area). Company shall construct said project including all necessary parking, circulation, storm water facilities and landscaping, all in accordance with the final site plan and construction specifications approved by the City and the Authority. Unless waived by the Authority, phase one (1) of the construction project will be completed and fully operational no later than 02/25/09.
- D. Company shall complete all other developments shown in its approved site plan no later than 02/25/12 with the exception of the 3,600 square feet covered aircraft storage area. Completion of the 3,600 square feet of covered aircraft storage area, in a form suitable to the Authority shall be completed by 02/25/18. Company shall be responsible to keep the site plan current and to make any necessary changes required by City code or applicable state and federal regulations which are not "grandfathered in". Any modifications to the site plan shall be submitted to the Authority for approval.
- E. When Company considers each "phase" of the project complete and a Certificate of Occupancy has been obtained from the City, Company shall submit a written notice of Final Completion to the CEO. The CEO shall then make such inspection or review as necessary to determine that the project is reasonably acceptable to the Authority, constructed in accordance with the terms and conditions of this Agreement and ready for access to the airport movement areas.
- F. Company shall, as a condition of this Agreement, invest or cause to be invested directly in the improvements to be made upon the Leased Premises under this Agreement, not less than seventy-five percent (75%) of the total cost estimate as set forth in the cost estimate sheet provided with the initial site plan documents as approved by the CEO. Such cost estimates shall include the design, engineering, construction, equipping, furnishing, and landscaping of the leased premises.
- G. Company construction or reconstruction projects on the Leased Premises which exceed the estimated cost of Twenty Thousand Dollars (\$20,000) will require that the Company provide the Authority with performance bonds and payment bonds in a form acceptable to the Authority or a Letter of Commitment issued by a commercial bank with sufficient funds on deposit guaranteeing said construction or reconstruction. Said Letter of Commitment shall be in a form adequate to satisfy the Authority, in its sole discretion, that the improvements will be satisfactorily completed and fully paid free of liens. As an alternative, Company may provide for an adequate construction account, supervised by a commercial bank with sufficient funds on deposit to be disbursed in accordance with a procedure to be established with the bank so as to adequately satisfy the Authority, in its sole discretion, that the

improvements will be satisfactorily completed and fully paid free of liens.

2.4 COMPANY'S FURNISHINGS, FURNITURE AND FIXTURES:

The Company shall, without cost to Authority, furnish all furniture, fixtures, draperies, machinery, tools and equipment necessary to conduct its operation in a business like manner. Company shall have the right to grant purchase money security interests, liens or encumbrances against the said furnishings, furniture and fixtures.

ARTICLE 3

PRIVILEGES, USES, EXCLUSIONS AND SERVICES

Company shall enjoy the following non-exclusive rights on the Airport, subject to the conditions provided in this Agreement, and the adopted Minimum Standards, as may be amended from time to time:

3.1 PRIVILEGES AND USES:

- A. The use, in common with other duly authorized users, of the common areas (as the same now exist or may hereafter be extended) of the Airport, consisting of roadways, runways, taxiways, all aids to air navigation for the Airport, and all public areas of the Airport.
- B. The operation of specialized aviation services which for the purposes of this Lease Agreement shall include, Aircraft Charter Air Taxi/Ambulance, Aircraft Management, Aircraft Airframe and Power Plant Maintenance and Alteration, Avionics, Self Maintenance of owned, leased and managed aircraft, Hangar Development and Hangar Leasing. Company may request changes to the services to be provided under this lease. Changes to the services provided will be allowed at the sole discretion of the Authority and must comply with the Minimum Standards.
- C. The loading and unloading of aircraft engaged in any lawful aviation activities.
- D. The overnight parking and storage of Company's Sited Aircraft.
- E. The construction, operation and maintenance of facilities and improvements upon the Leased Premises, for the purpose of carrying out any of the activities provided herein; subject, however, to the conditions of this Agreement as hereinafter described.
- F. Company shall have the right to provide food and beverage vending machines for the benefit of Company's employees, customers and invitees.

- G. The right to conduct other business activities in compliance with the Airport's Minimum Standards and as approved in writing by the Authority's Chief Executive Officer.
- H. Exclusion: Company shall not sell or dispense aviation fuel to the public. Company shall not sell fuel on a retail basis, fuel any transient aircraft, or allow another aircraft owner to enjoy the benefits of Company's self-fueling operation.
- I. Outside storage is not permitted except for storage of Company's airworthy, operational aircraft, Company's mobile fuel truck (as applicable) and for temporary parking of aircraft or automobiles utilized in transporting passengers or property to or from the hangar facility.

ARTICLE 4
TERM AND COMMENCEMENT

4.1 **EFFECTIVE DATE:**

This Agreement shall become binding and effective upon approval and execution by Company and Authority.

4.2 **TERM:**

For the purpose of billing rent and other associated charges and fees, the term of this Agreement shall be for a period of thirty (30) years and commence on February 25, 2008. Company may have the option to extend the term of this Agreement by one additional five year period, under the terms and conditions stated herein and upon giving 180 days written notice to the Authority prior to the end of the initial term. It is at the sole discretion of the Authority to grant this option.

ARTICLE 5
OBLIGATIONS OF COMPANY

Company covenants and agrees:

- A. The use, occupancy and maintenance of the Leased Premises by Company shall be without cost or expense to Authority except as provided herein.
- B. Company shall hold Authority harmless from any and all costs or charges for utility services furnished to or required by Company, as may be necessary or required in the construction, operation and maintenance of the Leased Premises.
- C. Company agrees, at its own expense, to maintain the Leased Premises and appurtenances thereto, as described herein, in a clean, well maintained condition as required herein, and that it will procure and keep in force during the term of this Agreement all necessary occupational licenses and permits as are required by law for the construction, maintenance and operation of the Company's business on the Leased Premises.

- D. The Company agrees to conduct its business in a lawful and business like manner at all times. Company further agrees to operate at all times with safety and concern for others.
- E. Company shall abide by any representations made in connection with Company's proposal in response to RFP# 07-002 attached hereto as Exhibit "1". Company shall abide by any representations made in connection with Company's application under the Minimum Standards and Requirements for Aeronautical Activities at the Gainesville Regional Airport, attached hereto as Exhibit "8".
- F. Company shall use the Leased Premises only for the purpose herein before described in Article 3, unless it receives prior written consent from the Authority to use the Leased Premises for other specified aeronautical purposes.
- G. Company shall comply with all federal, state, regional, and local requirements ensuring that the appropriate transportation and disposal of hazardous waste are conducted in full compliance with the law, and upon request by the Authority, provide such documentation of the proper transportation and disposal of such materials.
- H. Company hereby agrees that it will use the paved areas as constructed, according to the specifications and planned use for such areas, and Company will prohibit its employees, agents or sub-lessee's from exceeding the planned use or from placing excessive loads on paved areas on the Leased Premises. Company shall be responsible for the repair of any paved area damaged by non-conforming usage or excessive loading if such non-conforming usage or excessive loading was caused or directed by Company, its employees, agents or sub-lessee's.
- I. Company shall not keep or store flammable liquids within any covered and enclosed portion of the Leased Premises in excess of the Company's working requirements. Any such liquids having a flash point of less than 110 degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
- J. Company shall comply with Federal Communications Commission (FCC) and Federal Aviation Administration (FAA) requirements for communications devices employed on or with aviation air/ground VHF frequency band and the UHF frequency band in accordance with restrictions promulgated by the FAA for the vicinity of the FM Remote Receiver facility, transmitter facility or aids to air navigation.
- K. Company shall install, maintain, operate, repair, and replace, at its own expense all security lights and equipment required for the purpose of providing aircraft apron security and shall energize such lights daily from sunset until dawn. Additionally, Company shall install, maintain, operate, repair and replace, at its own expense, such obstruction lights on the

Leased Premises as the Federal Aviation Administration may direct or as the Chief Executive Officer may reasonably direct, and shall energize such lights daily from sunset until dawn and for such other period as may be directed by the Chief Executive Officer.

ARTICLE 6
RENTALS AND FEES

6.1 THE COMPANY SHALL PAY TO AUTHORITY THE FOLLOWING RENT:

- A. Company shall pay annual rental rates mutually agreed upon in the Market Rent Analysis completed on December 26, 2005, attached hereto as Exhibit "7" with adjustments for additional improvements as agreed herein. Rent for the entire parcel shall be payable in advance and without demand on or before the first day of each month, upon receipt by Company of a Certificate of Occupancy for phase one (1) of the Project. Company shall be responsible for payment of all applicable sales tax, or usage taxes.

- B. The annual rent shall include ground rental assessed at the rate of \$ 0.20 per square foot per annum. Prior to occupancy, the Leased Premises square footage may be adjusted and the total rent recalculated based on a formal survey of the premises. If required, Exhibit "2-B" will be amended on a one-time basis to reflect the exact square footage of land, which adjustment shall not require a formal amendment to this Agreement.

- C. Adjustment: Said rental shall be adjusted on the first day of December every year beginning in 2009 by the lesser of seven and one-half percent (7.5%) or the percentage increase in the Consumer Price Index ("CPI"), as hereafter defined. The computation of the increase in the CPI shall be as follows: The Consumer Price Index shall be the Consumer Price Index for All Urban Consumers ("CPI-U") as promulgated by the United States Department of Labor, using the month of November 1984, as a base of 100 (the "Base Month"). The rent shall be increased by the same ratio that the CPI-U for the Base Month bears to the CPI-U for the like month each year after the Base Month. In the event that the CPI-U ceases to be published by the Department of Labor or another United States Governmental Agency or a successor or substitute index, is not available, a reliable government or other nonpartisan publication, evaluating the information for use in determining the CPI-U, shall be used in lieu of such Consumer Price Index.

6.2 FUEL FLOWAGE FEES

This fee is determined annually by the Authority and is paid by authorized on-airport Fixed Base Operators and those others engaged in self-fueling operations. If the Company purchases their aircraft fuel requirements from an authorized on-airport Fixed Base Operator, including the

Authority, no further payment to the Authority under this provision is required. If the Company purchases fuel from a supplier other than authorized on-airport Fixed Base Operators, including the Authority, to provide its aircraft fuel requirements to its Sited Aircraft while they are located at the Airport, the Company will be required to pay the Authority the appropriate fuel flowage fees. The initial fuel flowage fee under this Agreement is five cents (\$.07) per gallon for each gallon of aircraft fuel received or bought by the company during the preceding month. Fuel flowage fees shall increase as determined by the Authority and as published in the Schedule of Rates and Charges.

- A) Company shall provide to Authority on or before the 10th day of each month a report of all aircraft fuel received or purchased from a supplier other than an authorized on-airport Fixed Base Operator, including the Authority, during the preceding calendar month. The report shall include copies of invoices and bills of lading supporting fuel purchased from all suppliers.
- B) Company shall require all of its suppliers to furnish to the Authority any information requested by the Authority concerning fuel provided to the Company.
- C) Payments of such fuel flowage fees shall be due and owing on or before the 15th day of each month and shall accompany the above reports.

6.3 FUEL STORAGE FEES

This fee is determined annually by the Authority and is paid by authorized on-airport Fixed Base Operators, commercial carriers and others causing fuel to be delivered to, and dispensed from, the Authority's Fuel Farm Facility. If the Company purchases their aircraft fuel requirements from an authorized on-airport Fixed Base Operator, including the Authority, no further payment to the Authority under this provision is required. If the Company causes fuel to be introduced into and dispensed from the Authority's Fuel Farm Facility, to provide aircraft fuel requirements to Sited Aircraft the Company will be required to pay the Authority the appropriate fuel storage fees and Company shall be required to enter into a User Commingling Fuels Agreement with the Authority. The initial fuel storage fee under this Agreement is five and one half cents (\$.055) per gallon for each gallon of aircraft fuel received into the Fuel Farm Facility during the preceding month. Fuel storage fees shall increase as determined by the Authority and as published in the Schedule of Rates and Charges.

- A. Company shall provide to Authority on or before the 10th day of each month a report of all aircraft fuel received into the Fuel Farm during the preceding calendar month. The report shall include copies of invoices and bills of lading supporting fuel purchased by Company from all suppliers.

- B. Company shall require all of its suppliers to furnish to the Authority any information requested by the Authority concerning fuel provided to the Company.
- C. Payments of such fuel storage fees shall be due and owing on or before the 15th day of each month and shall accompany the above reports.

6.4 LATE PAYMENTS:

- A. Without waiving any other remedy available to Authority in the event of default in Company's payment of fees or rentals hereunder, in the event that Company is delinquent for a period of thirty (30) days or more in paying to Authority any fee or rental payable to Authority pursuant to this Agreement, Authority reserves the right to charge Company interest thereon, from the date such rents or fees became due to the date of payment, at the equivalent of eighteen percent (18%) per year. The rate may be reduced or waived by the Authority.
- B. It is expressly understood between the parties that Authority is under no obligation to provide written notice to the Company for any rental or fee payment, which may be due and owing. It is further understood that the rental and fee payments required herein shall be automatically due and owing at the intervals contained herein during the term of this Agreement unless terminated sooner as otherwise provided in this Agreement.

ARTICLE 7

SECURITY FOR PERFORMANCE

Company shall provide Authority with a contract bond, irrevocable letter of credit or other similar security acceptable to Authority ("Contract Security") in the amount of Two Million Four Hundred Thirty Thousand One Hundred Forty Five, (\$2,430,145.00), dollars to guarantee the faithful performance by Company of its obligations under this Agreement including construction of required facilities and the payment of all rentals, fees and charges due hereunder. Such Contract Security shall be in a form and with a company acceptable to Authority and licensed to do business in the State of Florida. In the event that any such Contract Security shall be for a period less than the full period required hereunder, or if Contract Security shall be canceled, Company shall provide a renewal or replacement Contract Security for the remaining required period at least sixty (60) days prior to the date of such expiration of cancellation.

ARTICLE 8

MAINTENANCE AND REPAIR

MAINTENANCE OBLIGATIONS OF COMPANY

8.1 GENERAL OBLIGATIONS:

Company agrees to maintain in a good state of repair, at all times, all leased grounds, pavements

and structures on the Leased Premises at Company's expense, including all interior, exterior, and structural maintenance and Company shall repair all damages. All such maintenance, repair and replacements shall be of a quality equal to the original in materials and workmanship. For the purpose of this Agreement, interior, exterior and structural maintenance are defined as follows:

- A. "Interior Maintenance" shall mean the maintenance and the keeping in good working condition and appearance of the interior walls and ceilings, painting, repairs or alterations of plumbing, doors, windows or door glass, electrical fixtures, toilet facilities, air conditioning, heating and ventilation equipment, water fixtures, locking devices and all other fixtures. The facility's fire alarm and fire suppression systems shall be tested and maintained in operational condition in accordance with all applicable codes and regulations. Company shall arrange for proper janitorial services, such as sweeping, dusting, mopping, and waxing of floors; interior and exterior washing of windows; and the arrangement for sanitary removal of trash and proper disposal and removal of hazardous substances, as defined in Article 17.8 herein, on and from the Leased Premises.

- B. "Exterior Maintenance" shall mean the maintenance and the keeping in good working condition and appearance all buildings, pavements, including paved aircraft parking apron, taxiway and vehicle parking, security access gates and equipment, fencing, hangar doors, paint, trim and landscaping of the Leased Premises occupied or assigned with the building(s), and keeping the grounds in a neat and orderly condition to include the sanitary removal and proper disposal of trash and proper storage and removal of hazardous substances as defined in Article 17.8 herein, to and from the Leased Premises. Landscaping shall be maintained in a manner consistent with good horticultural practices, and free of unsightly conditions. Grass shall be kept trimmed and edged. Dead or dying plantings shall be removed and replaced. Vehicle parking lots and aircraft pavements shall be swept and kept free of oil and debris. Pavements shall be sealed or overlaid and re-stripped as necessary. Striping changes shall meet applicable code and ADA (American's with Disabilities Act) requirements. All exterior paint colors shall be submitted to and approved in writing by Authority prior to application and shall be consistent with the Authority's campus paint scheme.

- C. "Structural Maintenance" shall mean the maintenance and the keeping in good condition and appearance: the building foundation; structural members; and the repair of casualty damage to exterior walls and roof.

8.2 ADDITIONAL MAINTENANCE OBLIGATIONS OF COMPANY

The Company shall throughout the term of this Lease assume the entire responsibility and shall release the Authority and the City of Gainesville from all responsibility for all repair and

maintenance whatsoever of the Premises, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Company shall keep the Leased Premises at all times in good working condition and appearance. All the Company's fixtures, equipment and personal property which are located on any part of the Leased Premises, which are open or visible to the general public, shall likewise be so kept and maintained. The Company shall be responsible for the maintenance and repair of all utilities service (except common utilities, if any) including but not limited to, service to sanitary sewers and storm sewers, whether the same are now located upon the Leased Premises or are installed or located upon the Leased Premises subsequent to the execution of the Agreement. Company shall, at all times during the term of this Lease, take appropriate anti-erosion measures with respect to all portions of the Leased Premises.

- A. Keying Scheme: All keys and a key legend will be provided to Authority upon Company vacating the Leased Premises. Keys and keying legend will include all doors of any type including elevators, dumbwaiters, roll-up, electrical, security, office, etc.

8.3 FAILURE TO REPAIR AND MAINTAIN LEASED PREMISES:

If Company fails to perform Company's maintenance responsibilities, the Authority shall have the right, but not the obligation, to perform such maintenance responsibilities, provided the Authority has first, in any situation not involving safety, security or other emergency situations, given written notice to Company, delivered in accordance with Article 11.2, afforded Company a period within which to correct the failure of thirty (30) days or of such longer duration as may be reasonably required to rectify the failure through the exercise of prompt, diligent and continuous effort. Any extension beyond thirty (30) days must be approved by the Authority. All reasonable costs incurred by the Authority in performing the Company's maintenance responsibility shall be paid by Company within thirty (30) days of receipt of billing. Failure of Company to pay within thirty (30) days after receipt of Authority's notice of delinquency shall be deemed a condition of default. Safety, security and other emergency circumstances shall be remedied immediately and in conjunction and cooperation with the Authority.

The Authority retains the right, after giving reasonable advance notice to Company, to enter upon the Leased Premises to repair any utilities thereon that serve any areas. Authority shall endeavor to use reasonable efforts to minimize interference or disruption to Company's operations.

8.4 FUEL FACILITIES:

Should Company elect to provide their own services to fuel Company's, owned, leased or managed aircraft as defined herein, Company shall train its employees on proper fuel dispensing procedures as well as safety, quality control, environmental and FAA Part 139, NFPA 407 requirements and the Authorities "Minimum Standards and Requirements", with an emphasis on safety.

Company shall submit a written request to conduct self-fueling operations to the Authority including: proposed aircraft refueling areas; equipment location(s); as well as detailed plans and specifications of all proposed storage and dispensing equipment, to the Authority for its review and written approval. Company shall obtain and submit all necessary approvals, permits and licenses to the Authority prior to the beginning of self-fueling operations.

Company shall provide adequate fire extinguishers, fuel spill kits, and shall establish a fuel dispensing operations manual for its employees and submit it to Authority for review and comment. Authority shall provide a template or pro forma manual for review by Company prior to Company developing a similar manual for the Leased Premises. The manual shall include the following items:

- A. Types of fuel.
- B. Grounding techniques, positioning of aircraft, and safety tips.
- C. Procedures to follow for fuel spills.
- D. Location of all fire extinguishers and fuel shutoff push button stations.
- E. Call-out list of named employees or responsible parties.

8.5 MAINTENANCE OBLIGATIONS OF AUTHORITY

MAINTENANCE OF AIRPORT FACILITIES

Except as provided herein, the Authority shall maintain public and common or joint use facilities of the Airport. Authority shall make such repairs, replacements or additions that in its sole judgment, it deems necessary for the safe and efficient operation of the Airport. It is expressly agreed that if funds for the provision, maintenance, and operation of the Air Traffic Control Tower and/or other air navigation aids, air communications aids, weather reporting facilities or other facilities required or permitted by the United States, which are now, or may be hereafter furnished by the United States, or are discontinued by the United States, Authority shall not be required to furnish said facilities.

ARTICLE 9

FUTURE IMPROVEMENTS AND ALTERATIONS BY COMPANY

9.1 WRITTEN APPROVAL:

Company shall make no substantial improvements or alterations whatsoever to the Leased Premises without the prior written approval of the Authority, which approval shall not be unreasonably withheld or delayed, provided, however, that improvements do not conflict with the current use and future development of the Airport and that such alterations or fixed leasehold

improvements shall be commenced only after plans and specifications thereof have been submitted to and approved in writing by Authority, and Company has obtained necessary City of Gainesville and Alachua County permits.

9.2 CONDITIONS:

If Company's request for approval to make improvements or alterations is granted, the following conditions shall apply:

- A. Company shall obtain all required permits and licenses necessary, and shall comply with applicable zoning laws, building codes and other laws or regulations of all appropriate governing entities, including the State, County, City and Authority, applicable to the construction or installation of approved improvements or alterations.
- B. Company agrees to hire only Florida licensed contractors and subcontractors and to indemnify the Authority in the event of any loss or damage resulting from work performed on the Leased Premises by its contractors and subcontractors.
- C. Company covenants and agrees to accept and pay all costs necessary to complete approved alterations or improvements.
- D. Authority and City of Gainesville are named as additional insured on Company/Contractor/Subcontractor General Liability/Workers Compensation policy.
- E. Contractor and Subcontractor shall present a full Release of Liens to Authority at the completion of Company's Improvements.

ARTICLE 10

TITLE TO IMPROVEMENTS

All buildings, structures, pavements, fixtures of every kind now existing or hereafter erected or placed on the Leased Premises shall, at the end of the term or earlier termination of this Agreement, for any reason, be and become the property of the Authority and shall be left in good condition and repair, ordinary wear and effects of the elements excepted. A fixture shall be defined as an article which was a chattel, but which, by being physically annexed or affixed to the realty by Company and incapable of being removed without structural or functional damage to the realty, becomes a part and parcel of it.

Non-fixture Personal Property owned by the Company at the expiration of the term or earlier termination of this Agreement, for any reason, shall at the time of such expiration or earlier termination, upon demand by the Authority, be removed by the Company. Any damage to the Leased Premises caused by the removal by Company, its employees, agents or sub-lessees of any such personal property or signage, shall be repaired by Company forthwith at its expense. If Company shall fail to personally remove said

non-fixture personal property within thirty (30) days of demand by Authority, then Authority may effect such removal and restoration at Company's expense and Company agrees to pay Authority such expense promptly upon receipt of a proper invoice .

ARTICLE 11
DEFAULT AND TERMINATIONS RIGHTS

11.1 **EVENTS OF DEFAULT:**

The following events shall be deemed events of default by Company:

- A. The conducting of any business or performance of any act(s) by Company, its employees, agents or sub-lessees at the Airport not specifically authorized in this Agreement and Company's failure to discontinue that business or those acts within thirty (30) days of receipt by Company of Authority's written notice to cease said business or acts.
- B. The appointment of a Bankruptcy Court appointed Trustee, custodian, or receiver over all or a substantial portion of Company's assets.
- C. The divestiture of Company by operation of law, by dissolution, or by liquidation.
- D. Company's non-compliance with Florida Statute 287.133 - Concerning Public Entity Crimes on Contracts with Public Entities.
- E. Violation of any provision of sub-lessee agreements
- F. The failure by the Company to timely carry out duties and obligations under this Agreement and/or the breach of any term, condition or covenant herein after any notification by Authority of a potential breach and failure of Company to cure said breach within thirty (30) days.

11.2 **AUTHORITY'S REMEDIES:**

The Authority is entitled to the following remedies in the event of any of the foregoing events of default enumerated in Article 11.1, and following thirty (30) days written notice by Authority and Company's failure to cure. Authority, at its sole election, may exercise any one or more of the following options or remedies, the exercise of any of which shall not be deemed to preclude the exercise of any others herein listed or otherwise provided by statute or general law:

- A. Terminate Company's rights under this Agreement and, in accordance with law, take possession of the Leased Premises. Authority shall not be deemed to have thereby accepted a surrender of the Leased Premises, and Company shall remain liable for all payments due, or other sums due under this Agreement; or

- B. Treat Agreement as remaining in existence, curing Company's default by performing or paying the obligation which Company has breached, and all sums paid or expenses incurred by Authority, directly or indirectly, in curing Company's default shall become immediately due and payable and Authority reserves the right to charge interest at the equivalent of eighteen percent (18%) per annum from the date of disbursement by Authority until paid by Company;
or
- C. Declare this Agreement to be terminated, ended, null and void, and reclaim possession of the Leased Premises whereupon all rights and interest of Company in the Leased Premises shall end.

11.3 CONTINUING RESPONSIBILITIES OF COMPANY:

Notwithstanding the occurrence of any event of default, Company shall remain liable to Authority for all payments payable hereunder and for all preceding breaches of any covenant of this Agreement.

No retaking of possession of the Leased Premises by Authority shall be construed as an election on its part to terminate this Agreement, unless a written notice of such intention be given to Company, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any payments or other moneys due to Authority hereunder, or of any actual damages accruing to Authority by reason of the violations of any of the terms, provisions, and covenants herein contained. Authority's acceptance of payments or other moneys following any event of default hereunder shall not be construed as Authority's waiver of such event of default unless the event of default is the delinquency in the payment of the amount accepted. No forbearance by Authority of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance by Authority to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any such remedy.

11.4 COMPANY'S REMEDIES:

Company may terminate this Agreement, and all of its obligations hereunder, if Company is not in default in any of its payments hereto or other charges to Authority, and only upon or after the happening of any of the following events: the inability of Company to use Airport for a period of longer than ninety (90) consecutive days due to acts of nature, war, earthquake, hurricane or the issuance of any order, rule or regulation by a competent governmental authority or court having jurisdiction over Authority, preventing Company from operating its business for a period of ninety (90) consecutive days, provided, however that such inability or such order, rule or regulation is not due to any fault of Company.

11.5 TIME OF THE ESSENCE:

Time is of the essence of this Agreement.

ARTICLE 12

NO LIENS

Company shall pay for all labor done or materials furnished in the repair, replacement, development, or improvement of the Leased Premises by Company, and shall keep said Leased Premises and Company's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever created by Company's act or omission. Purchase money mortgage liens on Company's Improvements or Company's Personal Property are not subject to this provision. Any and all purchase money mortgage liens for Company's Improvements shall be subordinate to the Authority's interests, as described herein.

ARTICLE 13

TAXES AND FEES

Company shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, against Company's Leased Premises, the real property and any improvements thereto or leasehold estate created herein, or which result from Company's occupancy or use of the Leased Premises, whether levied against Company or Authority.

Company shall also pay any other taxes or assessments against the Leased Premises or leasehold estate created herein. Company may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to Authority of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against the real property or any improvements thereon or a direct liability on the part of Authority. Authority agrees to immediately forward to Company any notices of such taxes and assessments. Company shall pay the taxes or assessments reflected in a notice Company receives from the Authority within thirty (30) days after Company's receipt of that notice or within the time period prescribed in tax bill. Authority will attempt to cause taxing authority to send the applicable tax bills directly to Company and Company shall remit payment directly to the taxing authority, in such instance.

ARTICLE 14

INDEMNIFICATION

Company agrees to protect, defend, reimburse, indemnify and hold Authority, its agents, employees, and officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including reasonable attorney fees) and causes of action of every kind and character (this is to the extent allowed by law except to the extent caused by Authority's acts, misconduct, fraud or negligence) by reason of any damage to property or the environment, including

any contamination of Airport property such as the soil or storm water by fuel, gas, chemicals or other substances deemed by the United States Environmental Protection Agency (EPA) to be environmental contaminants at the time this Agreement is executed or as may be redefined by the appropriate regulatory agencies in the future, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, or any other person whomsoever arising out of or incident to or in connection with Company's performance under this Agreement, Company's use or occupancy of the Leased Premises, Company's acts, intentional omissions or operations hereunder or the performance, non- performance or purported performance of Agreement or any breach of the terms of this Agreement. This clause shall survive the termination of this Agreement. Compliance with the insurance requirements as attached hereto shall not relieve Company of its liability or obligation to indemnify Authority as set forth in this Article.

ARTICLE 15

INSURANCE

15.1 INSURANCE TERMS AND CONDITIONS:

Company shall maintain the coverage in the areas and amounts described in the Minimum Standards specific to the types of services being offered, uninterrupted as may be amended through the life of this Agreement from time to time and at no cost to the Authority. In the event Company becomes in default of the following requirements, Authority reserves the right to take whatever actions deemed necessary to protect its interests. The Airport and the City of Gainesville shall be named as an Additional Insured by Endorsement for General Liability, Automobile Liability, Pollution (Environmental) Liability, Aviation Liability, and Hangar Keeper's Liability.

Any deductibles or self-insured retentions must be declared to and approved by the Authority and the City of Gainesville. At the option of the Authority, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the Authority and the City, its officers, officials and employees; or the Company shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

15.2 REQUIRED COVERAGES:

The types and minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this Agreement shall be the amounts as specified in the Minimum Standard included as Exhibit "8" of this Agreement and made a part to herein.. In the event Company engages in fueling operations on the Leased Premises, involving the bulk handling of hazardous substances, or other environmentally risky activities as

determined by the Authority, Environmental Impairment Insurance will be required. The types and amounts of insurance required in the Minimum Standards shall be subject to periodic review by the Authority's risk manager.

Property Insurance

Such insurance shall be no more restrictive than that provided by the current editions of the Causes of Loss - Special Form (ISO Form CP 1030) and Florida Changes (ISO Form CP 01 25) filed for use in the State of Florida by the Insurance Services Office. The policy or policies shall be endorsed to include the Authority, its agents, employees and officers and the City of Gainesville as additional insureds. This insurance shall cover any existing, or hereafter constructed (including while under construction) buildings, structures, or any other improvements to real property located on real property leased, rented or otherwise demised by Authority to Company under this Contract.

15.3 OTHER INSURANCE PROVISIONS

- A. Notice of Change or Cancellation - Each insurance policy required by this Article 15 shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, given to the Authority and the City of Gainesville.
- B. Acceptability of Insurers – Insurance is to be placed with insurers with a Bests' rating of no less than A: VII.
- C. Verification of Coverage – Company shall furnish the Authority and the City of Gainesville with certificates of insurance in a form acceptable to the Authority and with original endorsements effecting coverage required by Article 16 herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Authority and the City of Gainesville prior to occupation. The Authority and City of Gainesville reserve the right to require complete, certified copies of all required policies at any time. The certifications of insurance must name the Gainesville Alachua County Regional Airport Authority and the City of Gainesville as additional insured's.

ARTICLE 16

DAMAGE OR DESTRUCTION OF LEASED PREMISES

16.1 PARTIAL DAMAGE:

In the event all or a portion of the Leased Premises are partially damaged by fire, explosion, the elements, a public enemy, or other casualty, but not rendered untenable, Company will make the repairs immediately, at its own cost and expense.

16.2 EXTENSIVE DAMAGE:

In the event damages, as referenced in Article 16.1, shall be so extensive as to render all or a significant portion of the Leased Premises untenable, but capable of being repaired within one hundred twenty (120) days, Company will make the repairs with due diligence, at its own cost and expense.

16.3 COMPLETE DESTRUCTION:

In the event the Leased Premises are completely destroyed by fire, explosion, the elements, a public enemy, or other casualty or are so damaged that they are untenable and cannot be replaced within one hundred twenty (120) days, Company shall fully restore the Leased Premises within nine (9) months.

16.4 UNFORESEEN CIRCUMSTANCES:

Sections 16.1 – 16.3 above, shall only be applicable if the casualty or cause of damage is one for which Company could and should have obtained insurance coverage, as described in Article 15, above. If the cause or casualty of damage was not one for which Company could and should have obtained insurance coverage, then Authority may choose to rebuild the premises at its expense, and rent and fees payable by Company shall be abated or prorated until such construction and repairs are completed. Provided, however, that if such repairs are not (reasonably expected to be) completed within one hundred twenty (120) days, then, at Company's option, this Agreement may be terminated and the Parties shall have no further liability to each other under this Agreement, or any related agreements.

ARTICLE 17

ENVIRONMENTAL REGULATIONS AND GENERAL CONDITIONS

17.1 GENERAL CONDITIONS: ENVIRONMENTAL:

Notwithstanding any other provisions of this Agreement, and in addition to any and all other requirements of this Agreement, or any other covenants, representations or warranties of Company, Company hereby expressly covenants, warrants and represents to Authority, in connection with Company's operations at the Airport, the following:

- A. Company is knowledgeable of federal, State, and local environmental laws, ordinances, rules, regulations and orders, that apply to Company's operations at the Airport and

acknowledges that such environmental laws, ordinances, rules, regulations and orders change from time-to-time, and Company agrees to keep informed of any such future changes.

- B. Company agrees to comply with all applicable federal, State, and local environmental laws, ordinances, rules, regulations, and orders that apply to Company's operations. Company agrees to hold harmless and indemnify Authority for any violation by Company of such applicable federal, State, and local environmental laws, ordinances, rules, regulations and orders and for any non-compliance by Company with any permits issued to Company pursuant to such environmental laws. This hold harmless and indemnity clause shall include but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures and monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Company, its employees, agents, sub-lessees, invitees, suppliers, or service providers or Authority by reason of Company's willful violation or non-compliance.
- C. Company agrees to cooperate with any investigation, audit or inquiry by Authority or any governmental agency, regarding alleged violations by Company, its employees, agents, sub-lessees, suppliers or service providers of any environmental law or regulation upon the airport premises.
- D. Company agrees that all remedies of Authority as provided herein with regard to violation of any federal, State or local environmental laws, ordinances, rules, regulations or orders shall be deemed cumulative in nature and shall survive termination of this Agreement.
- E. Company agrees that Company or Company's agent shall provide any notice of violation, notice of non-compliance, or other enforcement action of the nature described in Article 17.1-17.8 to Authority within three (3) business days of receipt. Any violation or notice of violation or non-compliance with federal, State, or local environmental law or ordinance that Company fails to rectify within the cure period established in Article 17.1-17.8 shall be deemed a default under this Agreement. Any such default that is not cured shall be grounds for termination of this Agreement.
- F. In entering this Agreement, Authority expressly relies on the covenants, representations, and warranties of Company as stated herein.

17.2 PRIOR CONTAMINATION:

Nothing in this Article 17 shall be construed to make Company liable in any way for any contamination or release of Hazardous Substances (as defined in Article 17.8) affecting the Leased Premises that occurred prior to the execution of this Agreement by Company, as reflected in the base line inspection(s) described in Article 17.4, or that occurs as a result of the actions of the Authority or any of its employees, agents, or contractors.

17.3 SITE CONTAMINATION:

Nothing in this Article 17 shall be construed to make Company liable in any way for any contamination or release of Hazardous Substances affecting the Leased Premises that occurs by reason of the migration or flow to the Leased Premises from verifiable or documented offsite contamination that is not attributable to Company's activities at the Leased Premises.

17.4 ENVIRONMENTAL INSPECTION:

- A. As part of the Site Survey for this development, Authority shall order and pay for baseline Phase I and, if necessary, Phase II environmental inspection, examination and audit of Leased Premises.
- B. At least thirty (30) days, but no more than ninety (90) days, before the expiration of the Term, or renewal thereof, as provided in Article 4 herein, Authority shall have Phase I and, if necessary, Phase II environmental inspection, examination and audit of the Leased Premises performed within the aforementioned time period. The cost for professional consulting/engineering services required for such audit shall be at the expense of the Authority. Company agrees to pay all associated laboratory and testing fees incurred to test and analyze samples collected during the audit process. If the existence of Hazardous Substances or hazardous waste are detected, Company shall immediately take such action as is necessary to clean up the contamination at its own expense, and in accordance with applicable federal, State, and local law to the extent that it is obligated to do so.
- C. If the Authority is unable to lease the Leased Premises during the period of a cleanup, referred to in 17.4B above, due to the environmental condition of the Leased Premises, in addition to any other damages for which Company may be liable, Company shall be responsible for payment of lost rental payment or lost use to the Authority.
- D. The methodology used by such firm shall be consistent with the then current engineering practices and methods required by the State or the United States EPA.

17.5 INSTALLATION OF UNDERGROUND TANKS:

Company **shall not be permitted** to install underground storage tanks of any kind without the

advance written approval of the Authority. At Authority's request, Company shall remove from the Leased Premises at the conclusion of the Term any underground storage tank installation(s) of any nature installed by Company. Company understands and agrees that it is strictly liable for any environmental violation or harm, or any contamination to the soil or the water table caused by such underground storage tanks during the Term of this Agreement and any extension thereto.

17.6 GENERAL CONDITIONS: STORMWATER:

- A. Notwithstanding any other provisions or terms of this Agreement, Company acknowledges that certain properties within the Airport, or on Authority owned land, are subject to storm water rules and regulations. Company agrees to observe and abide by such storm water rules and regulations as may be applicable to the Leased Premises.
- B. Company acknowledges that any storm water discharge permit issued to the Authority may name Company as a co-permittee or Company may be required to submit a separate Notice of Intent for its Leased Premises before the expiration date of the existing State of Florida National Pollutant Discharge Elimination Systems (NPDES) storm water Multi-Sector General Permit (MSGP). Authority and Company both acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize cost of compliance.
- C. Authority will provide Company with written notice of any storm water discharge permit requirements applicable to the Leased Premises which Company will be obligated to comply, including the submittal of Notice of Intent to the appropriate agency along with a copy to the Authority. Specific to the Leased Premises, Company may also be required to comply with the following requirements including, but not limited to: certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of best management practices; and maintenance and submittal of necessary records. In complying with such requirements, Company shall observe applicable deadlines set by the regulatory agency that has jurisdiction over the permit. Company agrees to undertake, at its sole expense, those storm water permit requirements for which it has received written notice from the regulatory agency and that apply to the Leased Premises, and Company agrees that it will hold harmless and indemnify Authority for any violations or non-compliance with any such permit requirements.
- D. Company agrees to pay all charges and fees resulting from requirements set forth in Article 17.6.

17.7 GENERAL CONDITIONS: SOLID AND HAZARDOUS WASTE:

- A. If Company is deemed to be a generator of hazardous waste, as defined by federal, State or local law, Company shall obtain a generator identification number from the U.S.

Environmental Protection Agency ("EPA") and the appropriate generator permit and shall comply with all federal, State and local laws, and any rules and regulations promulgated thereunder, including but not limited to, ensuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law.

- B. Company agrees to provide Authority, within ten (10) days after the Authority's request, copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage and disposal plans and material safety data sheets prepared or issued in connection with Company's use of the Leased Premises.

17.8 HAZARDOUS SUBSTANCES:

The term "Hazardous Substance" means any substance:

- A. The presence of which requires or may later require notification, investigation or remediation under any environmental law; or
- B. That is or becomes defined as a "hazardous waste", hazardous material", "hazardous substance", "pollutant" or "contaminant" under any State, federal EPA or local governmental environmental law, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C §9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) and the associated regulations; or
- C. That is toxic, explosive, corrosive, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, State, or any political subdivision within Florida; or
- D. The presence of which on the Leased Premises poses or threatens to pose a hazard to the Leased Premises or to the health or safety of persons on or about the Leased Premises; or
- E. That contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or
- F. That contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or
- G. That contains or emits radioactive particles, waves or materials, including, without limitation, radon gas.

ARTICLE 18

COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES, RULES

Company and its subcontractors shall at all times comply with applicable federal, State, and local laws and regulations, Airport rules, regulations and operating directives as are now or may hereinafter be prescribed by Authority, all applicable health rules and regulations and other mandates whether existing or as promulgated from time to time by the federal, State, or local government, or Authority including, but not limited to, permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other operational matters related to the operation of the Airport. Company, its officers, employees, agents, subcontractors, sub-lessees and those under its control, shall comply with security measures required of Company or Authority by the *Federal Aviation Administration ("FAA")*, *Transportation Security Administration ("TSA")*, or other Federal Agency with jurisdiction over Airport's master security plan as approved by the TSA to include an Airport Tenant Security Program as outlined in TSA 1540 and 1542, as amended, respective to Company's Leased Premises. If Company, its officers, employees, agents, subcontractors, sub-lessees or those under its control shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against Authority, then, in addition to any other remedies available to Authority, Company shall be responsible and shall reimburse Authority in the full amount of any such monetary penalty or other damages, provided however, that Authority promptly notified Company of the commencement of such action, monetary penalty or damages, or threats thereof, and Company was afforded the opportunity to determine the manner in which such action was handled or otherwise disposed of. Authority will give Company the cooperation reasonably required in connection with the defense of any such action.

ARTICLE 19

GOVERNMENTAL INCLUSIONS

The Leased Premises and the Airport are subject to the terms of those certain Sponsor's Assurances (as made by the Authority to the State or the US Federal Government) made to guarantee the public use of the Airport as incidental to grant agreements between Authority and the United States of America as amended; and, Authority represents that none of the provisions of this Agreement violates any of the provisions of the Sponsor's Assurance Agreement.

ARTICLE 20

NON-EXCLUSIVE

This Agreement shall not be construed to grant or authorize the granting of an exclusive right within the meaning of 49 §U.S.C. 40103(e) or 49 U.S.C. §47107(a) as may be amended from time to time, and related regulations.

ARTICLE 21
RIGHT TO DEVELOP AIRPORT

It is covenanted and agreed that Authority reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Company or its subcontractors and without interference or hindrance. Should the Leased Premises or any portion thereof be rendered untenable by reason of the Authority's exercise of this right to develop and improve the airport, Company's sole remedy shall be as follows: Rent shall be abated in proportion to the areas of the Leased Premises rendered untenable from the date such occurs up to the date the Leased Premises or the portion thereof are again tenantable. If the Authority's actions under this paragraph are such as to wholly prevent Company from conducting its usual business operations, (Leased Premises is totally untenable) for a period in excess of one hundred and twenty (120) days, then Company shall have the right to terminate this Lease; and Company shall have the right to remove all improvements placed by it on the Leased Premises provided Company shall have performed all the covenants and conditions of this Lease on its part to be performed up to the time of such removal; or if the improvements may not be so removed, then Company may receive from the Authority the value of such improvements which might have been removed. The value shall be the fair market value of such buildings, paved areas and other improvements. The fair market value will be determined by an appraiser, who is a certified member of the Appraisal Institute (an "MAI Appraiser"), selected by the Authority, who will furnish an appraisal at the Authority's expense. In the event that Company disagrees with the value placed on the subject property by the initial MAI Appraiser, it shall so notify the Authority in writing, within thirty (30) days of its receipt of said MAI Appraisal from the Authority. In the event of such disagreement, Company shall designate an MAI Appraiser of its choice and at its expense, to prepare a second appraisal. If both parties agree, then the sale price per acre shall be the average of the two appraisals. If ant party hereto does not agree to this procedure, then the second MAI Appraiser shall meet with the MAI Appraiser originally used by the Authority, for the purpose of selecting a third MAI Appraiser acceptable to both of the initial two appraisers. The third MAI Appraiser will prepare a review appraisal, which will be binding on both parties. Expenses related to the third appraisal will be evenly divided between the parties. All MAI appraisers used herein shall have their primary place of business operations within the State of Florida. As an alternative to the foregoing procedure, the parties hereto will negotiate in good faith to reach a settlement as to the fair market value of the buildings and non-exclusive use improvements, and the parties may choose an alternate method of determining said value, if said method is acceptable to both parties.

ARTICLE 22
RIGHT OF FLIGHT

Authority reserves, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property owned by Authority, including the Leased Premises, together with the right to cause in said airspace, such noise as may be inherent in the operation of

aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on Airport.

Company expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Leased Premises to such a height so as to comply with Federal Aviation Regulations, Part 77 and its successors, City, County, and/or Authority's height zoning. Company further expressly agrees for itself, its successors and assigns, to prevent any use of the Leased Premises, which would interfere with or adversely affect the operation or maintenance of Airport, or otherwise constitute an Airport hazard.

ARTICLE 23
RIGHT OF ENTRY

Authority shall have the right to enter the Leased Premises for the purpose of periodic inspection of the Leased Premises from the standpoint of safety and health, and monitoring Company's compliance with the terms of this Agreement.

ARTICLE 24
PROPERTY RIGHTS RESERVED

Company understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between Authority and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the receipt or expenditure of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any governmental entity having jurisdiction over the Airport.

ARTICLE 25
SUBORDINATION CLAUSE

25.1 The leasehold estate of Company may be mortgaged from time to time during the term of this Lease to secure a loan made to Company for the sole purpose of constructing new hangar and office facilities and common use areas including taxiway, paved apron and automobile parking as described herein on the existing leasehold site. In this event, Company or the leasehold mortgagee or the holder of the note thereof shall notify Authority of the placing of any such mortgage. In any event it is agreed as follows:

- A. Such mortgage shall be subject and subordinate to Authority's interest in this lease, as described herein.

- B. The leasehold mortgage shall have and be subrogated to any and all rights of the Company with respect to curing of any default. In addition to any other right such leasehold mortgagee

may have to maintain this lease free from default and in the meantime to foreclose its mortgage, such leasehold mortgagee, as to any default that may not be cured by the payment of money, and which requires entry upon the Leased Premises in order to be able to cure, shall have the right to extend the period of time for curing of any such default for such additional period as, with all due diligence and in good faith, will enable such leasehold mortgagee to instate foreclosure proceedings, appoint a receiver for the purpose, among other things, of curing such default and to acquire by foreclosure Company's interest in this lease, to effect removal of the Company from the Leased Premises and, in the meantime, and at the earliest opportunity to cure such default provided the leasehold mortgagee shall so perform all of the above acts.

In the event the leasehold estate created by this Lease shall have been duly acquired by such leasehold mortgagee or its nominee and if all defaults shall have been cured, then any default which the Company has failed to cure shall be deemed removed and the right of the Authority to serve notice of termination of this lease based upon Company's failure to cure timely any such default, which was suspended for the sole benefit of such leasehold mortgagee as described in (C) below, shall be entirely eliminated as a result thereof.

- C. Authority shall give to such leasehold mortgagee a copy of any notice of default served upon Company. If Company shall have failed to cure such default within the time provided for in this Lease then the leasehold mortgagee shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary not to exceed ninety (90) days, if within such thirty (30) days the leasehold mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default, in which event this Lease shall not be terminated while such remedies are being so diligently pursued. Authority will accept performance by such leasehold mortgagee.
- D. Unless prior written consent is given, the leasehold mortgagee and any purchaser or holder of the mortgage may only be a savings bank, savings and loan association, commercial bank, trust company, insurance company, or other similar lending institution.
- E. The mortgage shall not be for a sum greater than the value of the buildings and improvements to be constructed on the Leased Premises, less twenty percent (20%) thereof. Such value is to be determined by an appraisal of the premises as secured by the institution committed to make the permanent loan or the Authority, at the option of the Authority. The appraisal shall cover only the value of the respective buildings and improvements to be made. All funds derived thereunder from lending institutions shall be expended only for the capital improvements upon the subject Leased Premises. The Company must invest twenty percent (20%) of the amount of the cost of the improvement project for which the institutional mortgage loan is made.

- F. If this Lease is terminated for any reason while the mortgage is still in effect, Company shall give immediate notice to the holder of such leasehold mortgage and within sixty (60) days after receipt of such notice said leasehold mortgagee shall have the right to enter into negotiations with the Authority for assumption of the mortgage. Should the Authority decline this First Right of Refusal the leasehold mortgagee shall have the right to enter into a new lease wherein said leasehold mortgagee is the Company. Said new lease shall be for the remainder of the term of this lease and shall otherwise be upon the same terms and conditions as are set forth herein, provided however, that as a condition to obtaining such lease the leasehold mortgagee must cure all defaults which can be cured by the payment of money and which exist as of the date of delivery of possession of the premises under the new lease.
- G. This Agreement and all rights of Company hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by Authority to secure financing specific to the Airport. This Agreement is subject and subordinate to the terms, covenants, and conditions of the Trust Agreement (as entered into between the Authority and third parties providing financing to the Authority), made by Authority, authorizing the issuance of bonds by Authority. Conflicts between this Agreement and the documents mentioned above shall be resolved in favor of such documents. Notwithstanding the foregoing, any such pledge, lien, transfer, hypothecation, assignment or similar agreement entered into by the Authority, which serves to materially alter the terms and conditions of this Lease Agreement, shall provide Company with the right to terminate this Lease Agreement for its convenience on 180 days prior written notice. Such termination shall: invalidate the provisions of Article 11 and shall not be considered a breach or default of the terms of this Lease Agreement, therefore, Company shall not have any liability, whatsoever, to Authority for remaining monthly or annual payments, lost payment or rental opportunities, expenses incurred directly or indirectly by Authority to re-lease the premises or, damages of any kind or type, including liquidated damages,

ARTICLE 26

FEDERAL RIGHT TO RECLAIM

In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Leased Premises are located, for public purposes, for a period in excess of thirty (30) consecutive days, then this Agreement shall hereupon terminate and the Authority and Company shall be released and fully discharged from any and all liability hereunder except as further described in this Article 26. In the event of such termination, Company's obligation to pay rent shall cease, however, nothing herein shall be construed as relieving either Party from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination. Further, Authority shall reimburse Company for all reasonable costs associated with the relocation (including demobilization,

packaging, crating, handling and shipping) of Company's Fixed Personal Property and Company Personal Property.

ARTICLE 27

NONDISCRIMINATION/AFFIRMATIVE ACTION

Company assures that, in the performance of its obligations hereunder, it will fully comply with the requirements of 14 C.F.R. Part 152, Subpart E (Nondiscrimination in Airport Aid Program), as amended from time to time, to the extent applicable to Company, to ensure, *inter alia*, that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any activities covered by such regulations. Company, if required by such regulations, will provide assurances to Authority that Company will undertake an affirmative action program and will require the same of its sub-organizations.

Company, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination; and (3) that Company shall fully comply with the requirements of 49 C.F.R. Part 21 (Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), amended from time to time.

ARTICLE 28

AMERICANS WITH DISABILITIES ACT

Company shall comply with the applicable requirements of "The Americans with Disabilities Act" (ADA) and the State of Florida Accessibility Requirements Manual (ARM), and any similar or successor laws, ordinances, rules, and regulations, including cooperation with Authority, concerning the same subject matter.

ARTICLE 29

SIGNS

29.1 SIGNAGE:

Except with the prior written approval of the Authority the Company shall not erect, maintain or display any signs, flags, banners or any advertising at or on the exterior parts of the premises or

inside the premises so as to be visible from outside the premises. The Authority shall not unreasonably withhold or delay its approval. All signage visible from the "landside" must in all respects conform to applicable City ordinances and regulations. All signs must be back lit.

29.2 REMOVAL:

Upon the expiration or termination of Agreement, and in no case more than thirty (30) days, Company shall remove, obliterate or paint out, as Authority may direct, any and all signs and advertising on the Leased Premises and, in connection therewith, shall restore the portion of the Leased Premises affected by such signs or advertising to the same conditions as existed at the commencement of the Term. In the event of failure on the part of Company to remove, obliterate, or paint out each and every sign or advertising and restore the Leased Premises, Authority may perform the necessary work, at the cost of Company.

ARTICLE 30
ENJOYMENT

Authority represents and warrants that Company shall peaceably have, hold, and enjoy the Leased Premises during the Term without hindrance from Authority, subject however, to all the terms and provisions hereof and covenants, easements, and other encumbrances now affecting the Leased Premises.

ARTICLE 31
ASSIGNMENT AND SUBLETTING

Authority is entrusted with the duty and obligation of providing the public with the highest level of general aviation services and facilities, and it is therefore necessary that Company's operations hereunder are subject to continuing scrutiny by Authority, and further that Company operate in a businesslike fashion, efficiently and with courtesy to the public. For these reasons the following shall apply:

- A. There shall be no assignment without the written consent of the Authority, and the Authority reserves the absolute discretion to grant or deny any assignment.
- B. Company may not sell, assign, or transfer this Agreement or any portion thereof, except as provided herein.
- C. Authority shall have the right to review and approve in advance, the financial capacity of any proposed assignee.

- D. In no event shall any approved assignment diminish Authority's rights to enforce provisions of this Agreement.
- E. Company may sublease part of Company's Improvements thereon but Authority must first approve in writing such sublease. Such subleases, if approved, may only be for aeronautical purposes conducted in accordance with the Authority's Airport Minimum Standards and Requirements for Aeronautical Activities.
- F. Company shall assume responsibility for insuring compliance with all rules and regulations on the part of sub-lessees.

ARTICLE 32
SURRENDER OF LEASED PREMISES

Company shall surrender and deliver the Leased Premises to Authority upon the conclusion of the Term in the same condition as reasonably existed at the commencement of the Term, approved modifications, improvements and ordinary wear and tear excepted. Provided Company is not in default of this Agreement; Company shall forthwith remove all of its Personal Property from the Leased Premises at the conclusion of the Term. Any costs incurred by Authority in the disposition of such Personal Property shall be borne by the Company. All Fixed Personal Property placed on the Leased Premises by Company shall, at Company's option, become the property of Authority at the termination of this Agreement and shall be left in place, unless Leased Premises affected by the fixed Personal Property are restored to their as built condition.

ARTICLE 33
WAIVER OF CLAIM

Company hereby waives any claim against Authority, and its officers, board members, agents, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part hereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void, or voidable, or delaying the same, or any part hereof, from being carried out.

ARTICLE 34
APPLICABLE LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue for any action brought pursuant to this Agreement shall be in Alachua County, Florida.

ARTICLE 35
MEDIATION AND ATTORNEY'S FEES

In any dispute arising out of or relating to this Agreement, both Parties agree to mediate said dispute prior to initiating any litigation and, in accordance with the protocols and rules of mediation as established by the American Arbitration Association (AAA). Any such mediation shall be conducted by and under the jurisdiction of the AAA. Mediation shall be a condition precedent to filing suit, and shall take place within a reasonable period of time following receipt of a written claim specifying the factual basis of the dispute and receipt of a written request for mediation of said claim. In no event shall mediation commence later than sixty (60) days from receipt of said request.

In any dispute arising under this Agreement, each Party shall be responsible for its own attorney's fees through and including mediation. The fees and costs assessed by the AAA shall be equally split between the Parties. In the event of litigation, the prevailing Party shall be entitled to recover reasonable attorney's fees and costs, including those related to any appeal.

ARTICLE 36
NOTICES AND COMMUNICATIONS

All notices or communications whether to Authority or to Company pursuant hereto shall be deemed validly given, served, or delivered, upon receipt by the Party and addressed as follows:

TO AUTHORITY:

GAINESVILLE-ALACHUA COUNTY REGIONAL
AIRPORT AUTHORITY
ATTN: DIRECTOR OF AVIATION
3880 N.E. 39TH AVENUE, SUITE A
GAINESVILLE, FL 32609

TO COMPANY:

RD AIR SERVICES, L.L.C.
ATTN: ADMINISTRATIVE COORDINATOR
4341 NE 48TH AVENUE
GAINESVILLE, FL 32609

or to such other address as either Party may designate in writing by notice to the other Party delivered in accordance with the provisions of this Article.

ARTICLE 37

HEADINGS

The headings contained herein, including the Table of Contents, are for convenience and are not intended to define or limit the scope of any provisions of this Agreement. If for any reason there is a conflict between content and headings, the content will control.

ARTICLE 38

RADON GAS NOTIFICATION

In accordance with requirements of the State of Florida, the following notification statement shall be included in all agreements relating to rental of real property. This is provided for information purposes only.

RADON GAS: Radon is naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

ARTICLE 39

AGENT FOR SERVICE OF PROCESS

It is expressly agreed and stipulated that if Company does not have a duly noted resident agent for service of process, as an alternative method of service of process, Company may be personally served with such process out of this State, by the registered mailing of such complaint and process to Company at the address set out hereinafter in this Agreement and that such service shall constitute valid service upon Company as of the date of mailing and Company shall have 30 days from date of mailing to respond thereto. It is further expressly understood that Company hereby agrees to the process so served, submits to the jurisdiction and waives any and all obligation and protest thereto, any laws to the contrary notwithstanding.

ARTICLE 40

COMPLETE AGREEMENT

This Agreement represents the complete understanding between Parties, and any prior agreements, or representations, whether written or verbal, are hereby superseded. This Agreement may subsequently be amended only by written instrument signed by the Parties hereto.

ARTICLE 41

ORDER OF PRECEDENCE

The documents listed below are a part of this Agreement and hereby incorporated by reference. In the event of an inconsistency between the documents, unless otherwise provided herein, the terms of the following documents will govern in the following order of precedence:

1. Terms and Conditions as contained in this Agreement.
2. Company's Proposal in response to RFP 07-002 attached as Exhibit "1."

ARTICLE 42

FEDERAL AVIATION ADMINISTRATION (FAA) APPROVAL

This Agreement shall be subject to Federal Aviation Administration (FAA) Grant Assurance criteria. Upon complete execution, Authority shall inform the FAA of the existence of this new Agreement.

ARTICLE 43

MISCELLANEOUS

Wherever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the Parties hereto have set their hands and corporate seals on this 26th day of February, 2008

**GAINESVILLE-ALACHUA COUNTY
REGIONAL AIRPORT AUTHORITY**

(Affix Corporate Seal)

By: _____
Allan Penksa, Chief Executive Officer

Address: Gainesville Regional Airport
3880 NE 39th Avenue, Suite A
Gainesville, FL 32609 _____

STATE OF FLORIDA

COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this 26th day of February, 2008, by Allan Penksa in the capacity of Chief Executive Officer, **GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**, a public body corporate under the laws of the State of Florida, on its behalf. He is personally known to me and he did not take an oath.

(Stamp of Notary)

Signature of Notary
Suzanne M. Schiemann

Date Commission Expires: _____

COMPANY

(Affix Corporate Seal)

By: _____
Scott Branham, General Manager

Address: RD Air Services, L.L.C.
4341 NE 48th Avenue
Gainesville, FL 32609

STATE OF FLORIDA

COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this 26th day of February, 2008 by Scott Branham in the capacity of General Manager, **RD AIR SERVICES L.L.C.**, a public body corporate under the laws of the State of Florida, on its behalf. He is personally known to me and he did not take an oath.

(Stamp of Notary)

Signature of Notary
Suzanne M. Schiemann

Date Commission Expires:

LEGAL FORM APPROVED

By: _____
Donald W. Stanley, Jr., General Counsel

EXHIBIT "1"
COMPANY'S PROPOSAL

EXHIBIT "2-A"
Site Location

EXHIBIT "2-B"
Leased Area Survey

EXHIBIT “3”
Scope/Definition of Leased Premises and Facilities
Construction and Contract Documents

General Terms and Conditions

Airside Site Developments

Construction Drawings

**EXHIBIT “4”
Payment Bond**

EXHIBIT "5"
Business Hangar and Office Building Minimum Standards

The building shall be designed and constructed in accordance with applicable codes, laws and regulations. Final design documents shall be sealed and signed by a licensed structural engineer and architect registered in the State of Florida. The final design shall be submitted to GACRAA for approval and shall comply with but not be limited to, the applicable portions of the following standards:

1. City of Gainesville Code of Ordinances
2. National Fire Protection Association
 - a. NFPA 20 Fire Pumps
 - b. NFPA 70 National Electrical Code (NEC)
 - c. NFPA 72 National Fire Code
 - d. NFPA 101 Life Safety Code
 - e. NFPA 409 Aircraft Hangars
3. 2004 Florida Building Code with 2005 Supplements
4. ANSI/IEEE C2: National Electrical Code (NEC)
5. Gainesville Regional Utilities (GRU) Energy Delivery Service Guide (and Appendices)
6. Illuminating Engineering Society of North America (IESNA) Handbook
7. National Electrical Manufacturer's Association (NEMA)
8. Underwriters Laboratories (UL)
9. Americans with Disabilities Act (ADA)

Design

Exterior Walls - The exterior walls will be constructed of pre-finished metal panels with blanket insulation or architectural masonry units, pre-cast concrete or synthetic pre-cast panels. Masonry block shall have a decorative finish i.e. architectural block or "split block". Exterior of office extensions shall be architectural block, decorative masonry, or other decorative material approved by the Authority. Exterior steel wall panels shall be min. 24-ga. Steel. The coating of the wall panels shall be a fluoropolymer minimum 3-coat system with manufacturer's standard color or approved equal. The color shall be as approved by GACRAA and shall be compatible with existing airport hangar colors.

Hangar Floor

The hangar floor shall be high strength concrete appropriately designed for regular use by the heaviest general aviation aircraft that can physically fit through the hangar door at maximum certified takeoff weight. The floor shall have positive drainage to an under floor drainage system connected to the sanitary sewer and fitted with an appropriately sized oil/water separator as required by GRU and state and local codes. All floor drains and trench drains shall be fitted with aircraft rated covers.

Roof System

The roofing system shall be a structural standing seam metal roof over blanket insulation. Roof color shall be a white, fluoropolymer, minimum 3-coat system. All gutters and downspouts shall be exterior mounted and drain to either a perimeter storm drainage system or to surface drainage.

The roofing system shall be equivalent to American Building Company product Standing Seam 360 Roof System. The roofing system shall be designed to provide an I-90- class uplift rating by UL when tested in accordance with UL 580 test procedures. The roof panel gage, anchors and

purlin spacing shall be designed to accommodate this uplift rating. There shall be a minimum 20 year color and weather tightness warranty on the roof.

Roof Accessories

Roof accessories shall include all trim, end lap straps, eave and ridge closures, profile closures at top and bottom of roof panels, ridge and rake trim, fasteners, gutters and downspouts. The roof trim, gutters and downspouts shall match the roof panel color and finish. All materials and finishes shall be equal to or superior to the metal roof and wall panel finishes for superior longevity. A complimentary trim color may be approved by GACRAA. Roof curbs for roof mounted equipment shall be compatible with the metal roof system.

Hangar Doors

Hangar doors shall be designed by an experienced, reputable hangar door manufacturer in accordance with required load criteria and wind load requirements. The door design shall be certified by a registered professional engineer licensed in the state of Florida and its application to the proposed building and structural attachment shall likewise be certified by a registered professional engineer, licensed in the state of Florida. The hangar door shall be pre-engineered and shall in all ways be compatible with the building structure and electrical system. It shall not be field fabricated. When fully closed, the hangar door shall provide a weather-tight enclosure of the entire opening. The exterior door panels shall be minimum 24 gage steel with fluoropolymer 3-coat system. The color of the exterior door panels shall match the exterior wall panels.

Steel Doors and Frames

Exterior personnel doors shall be Grade III, extra heavy-duty, Model 3, minimum 16 gage, galvanized steel. Close top and bottom edges of doors flush as part of the door construction or with channels set even with top and bottom edges against water penetration. Frames shall be minimum 16 gage galvanized steel.

General Electrical

Electrical system design shall be completed in accordance with the National Electric Code, latest edition, and all applicable codes, laws and regulations. The design documents shall be signed and sealed by a licensed electrical engineer registered in the state of Florida. All electrical equipment and devices shall be Underwriters Laboratories (UL) listed and labeled where UL listings are available. Electric service shall comply with the requirements of Gainesville Regional Utilities (GRU). All wiring devices shall be commercial grade (minimum) or specification grade. Provide and submit complete typewritten panel board and switchboard schedules that indicate all proposed circuit breaker numbers, circuit breaker sizes and load designations.

Plumbing Fixtures

Fixtures, piping and toilet accessories shall be commercial or industrial grade. All fixtures shall be installed with complete fittings and trim. All fixtures, fittings and trim available for public use shall be from the same manufacturer and shall have the same finish. All fixtures shall be water conservation type and comply with the Energy Policy Act of 1992. Floor drains shall be cast iron with deep trap and automatic primer.

Site Improvements

Storm Water Facilities

Storm water facilities shall be in accordance with the approved site plan permit and applicable city, state and federal regulations. The system shall be efficiently designed so as to minimize the land area required for detention/retention and structures and maximize the use land available for buildings, pavements and other improvements. The designer shall use every effort to avoid “wet” ponds on the airport property so as not to create bird and wildlife attractants, which may be hazardous to aircraft. Any use of a wet pond is subject to approval by the Airport Authority and the Federal Aviation Administration. The storm water system shall protect against soil erosion and require minimal maintenance of structures and vegetation for proper operation.

Aircraft Pavements

Hangar aprons, taxilanes, ramp and taxiway connectors shall either be bituminous asphalt or concrete. Taxilane and connector design shall be sufficient to support the heaviest general aviation aircraft (design aircraft) that can physically fit through any of the hangar doors proposed in the total development area served by that taxilane or connector pavement.. Hangar apron designs shall be consistent with the associated hangar floor slab design. The apron shall be at least equal in area to the size of the hangar floor. All pavements shall support the design aircraft under daily use at its maximum certified takeoff weight. The lessee shall provide the design aircraft to the Authority for review prior to beginning design. The pavement design shall be sealed and signed by a civil engineer licensed in the state of Florida.

Taxilane and connector pavement design, geometry and marking shall be in conformance with current FAA design standards, (AC150/5300-13 latest edition. and others) to assure adequate obstruction clearance and operational performance. Markings shall be applied in accordance with AC 150/5340-1, latest edition to assure proper visibility and adherence to standards.

No site improvement, buildings, structures, temporary structures, cranes or other equipment, stockpiled materials or other penetrations exceeding FAR Part 77 imaginary surfaces will be allowed without the express written consent of the Authority. The lessee shall be responsible to file a complete and proper FAA form 7460-1 “Notice of Proposed Construction or Alteration” or arrange with the airport to file an “Airspace Study Checklist” with the FAA in a timely manner prior to beginning construction. All objects penetrating an FAA Part 77 imaginary surface, whether temporary or permanent, shall be appropriately marked and lighted in accordance with FAA regulations.

Exterior Lighting

The hangar shall have adequate security illumination at all exterior doors using energy efficient dusk to dawn fixtures. Lighting shall consist of mostly down-light and shall not spill over to adjacent properties as required by city codes.

The airside apron area shall sufficient lighting to support night-time ramp operations, either mounted on the exterior of the hangar or on separate light poles. The lights shall consist of mostly down-light and/or be equipped with sufficient shielding so as not cause undue glare, which may interfere with pilot night vision during any air or ground operations. The lighting shall be available from dusk to dawn and shall be of an energy efficient design. All taxiway, taxilane and apron edge lighting shall conform to current FAA standards.

Exhibit "7"
Market Rent Analysis

Exhibit "8"
Minimum Standards and Requirements